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Substantively Consolidated SIPA Liquidation of  
Bernard L. Madoff Investment Securities LLC and  
the Estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation  
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

CANDICE NADLER REVOCABLE TRUST DTD  
10/18/01; CANDICE NADLER, individually and  
in her capacity as Trustee for the Candice Nadler  
Revocable Trust dtd 10/18/01; and CHARLES E.  
NADLER, in his capacity as Trustee for the  
Candice Nadler Revocable Trust dtd 10/18/01,

Defendants.

Adv. Pro. No. 10-04782 (SMB)

**STIPULATION OF PARTIAL SETTLEMENT AND STAY OF FURTHER  
PROCEEDINGS UNTIL RESOLUTION OF BANKRUPTCY CODE  
SECTION 546(E) APPEAL**

Irving H. Picard (the “Trustee”), as Trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* (“SIPA”), and the substantively consolidated estate of Bernard L. Madoff individually (“Madoff”), by and through his counsel, Baker & Hostetler LLP, and defendants Candice Nadler Revocable Trust dtd 10/18/01, Candice Nadler, individually and in her capacity as Trustee for the Candice Nadler Revocable Trust dtd 10/18/01, and Charles E. Nadler, in his capacity as Trustee for the Candice Nadler Revocable Trust dtd 10/18/01 (the “Defendants”, and with the Trustee, the “Parties”), by and through their counsel, Henson & Efron, P.A., hereby stipulate and agree to the following:

1. On December 1, 2010, the Trustee commenced this adversary proceeding against, among others, the Defendants seeking the avoidance and recovery of transfers made by BLMIS within two years of December 11, 2008 (the “Two Year Transfers”) and transfers made by BLMIS prior to December 11, 2006 (the “Non-Two Year Transfers”).

2. By Order dated April 30, 2012 (the “Dismissal Order”), the United States District Court for the Southern District of New York (the “District Court”) dismissed the Trustee’s claims to avoid and recover the Non-Two Year Transfers made to certain defendants based on an interpretation of Bankruptcy Code Section 546(e).

3. The Trustee appealed the Dismissal Order to the United States Court of Appeals for the Second Circuit (the “546(e) Appeal”).

4. On December 8, 2014, the Second Circuit affirmed the Dismissal Order.

5. On March 17, 2015, the Trustee filed a petition for a writ of certiorari with the United States Supreme Court.

6. On May 29, 2015, the Parties entered into a settlement agreement (the “Settlement Agreement”) pursuant to the Settlement Order, entered by this Court on November 12, 2010 [Dkt. No. 3181].

7. Under the Settlement Agreement, the Parties have settled the Trustee’s claims for the Two Year Transfers but have agreed to stay this proceeding until a final, non-appealable order is issued in the 546(e) Appeal affirming or reversing the Dismissal Order.

8. If a final, non-appealable order in the 546(e) Appeal reverses the Dismissal Order, the Trustee will, as soon as practicable, dismiss the Trustee’s Two Year Transfer claims against the Defendants. The Defendants agree they will not assert any laches, statute of limitations, statute of repose, or time limitations defense based on the time period this proceeding is stayed as against them by this Stipulation. The Parties stipulate and agree that the Trustee preserves all rights, claims, causes of action, if any, against the Defendants for the Non-Two Year Transfers, and the Defendants preserve all defenses, if any, in response to the Trustee’s Non-Two Year Transfers.

9. If a final, non-appealable order in the 546(e) Appeal affirms the Dismissal Order, the Trustee will, as soon as practicable, dismiss the adversary proceeding with prejudice and without costs to either the Trustee or the Defendants.

10. The provisions of this stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and upon all creditors and parties of interest.

Dated: June 12, 2015

**BAKER & HOSTETLER LLP**

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Revocable Trust dtd 10/18/01; Candice Nadler,  
individually and in her capacity as Trustee for the  
Candice Nadler Revocable Trust dtd 10/18/01;  
and Charles E. Nadler, in his capacity as Trustee  
for the Candice Nadler Revocable Trust dtd  
10/18/01*

SO ORDERED

Dated: June 17<sup>th</sup>, 2015  
New York, New York

/s/ STUART M. BERNSTEIN  
HONORABLE STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE